



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN KANSAS CITY RADIO ACQUISITION

WASHINGTON, D.C. -- The Department of Justice today announced that Entercom Communications Corporation has agreed to sell three Kansas City radio stations in order to resolve the Department's concerns that Entercom's acquisition of four Kansas City stations from Sinclair Broadcast Group would have reduced competition for radio advertising in the Kansas City area.

According to the Department, Entercom proposed to acquire KCFX-FM, KQRC-FM, KCIY-FM, and KXTR-FM from Sinclair. Entercom currently owns seven radio stations -- KCMO-AM, KCMO-FM, KYYS-FM, KMBZ-AM, KUDL-FM, WDAF-AM, and KKGM-AM -- in the Kansas City market. The Department said the transaction, as originally proposed, would have allowed Entercom to control approximately 55 percent of radio advertising revenues in Kansas City.

Under the divestiture agreement, Entercom will sell KCMO-FM, KCMO-AM, and KCFX-FM, to Susquehanna Radio Corporation.

"The divestiture of these three stations will ensure that the consumers and businesses who buy radio advertising time in the Kansas City market will continue to have the benefits of competition, including lower prices and better services," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division.

Kansas City is the 30th largest radio broadcast market in the United States. In 1999, radio advertising revenues in the market were approximately \$93 million.

Entercom, headquartered in Bala Cynwyd, Pennsylvania, had revenues of approximately \$244 million in 1999. After this transaction, it will own 96 radio stations in 17 markets.

Sinclair, headquartered in Cockeysville, Maryland, is primarily a television broadcast company that previously owned radio stations in several markets. Last year, in a separate transaction, it sold 41 radio stations in nine other markets to Entercom. Its total 1998 revenues were about \$740 million; its 1998 revenues from radio broadcasting were approximately \$95 million.

Susquehanna is a major radio broadcast company based in York, Pennsylvania. In 1999, its revenues from radio broadcasting were approximately \$209 million.

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